

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Food Locker Service

Iowa Center for Industrial Research and Service

Food Locker Service Increases Profitability

Client Profile:

Food Locker Service Inc. is a family owned and operated meat processing business located in Holstein, Iowa. The company employs 15 people.

Situation:

Food Locker Services had a lot of customer orders, but determining profitability of a large variety of products was difficult. Those products that were not profitable needed to be dropped or pricing increased. The Iowa Center for Industrial Research and Service (CIRAS), a NIST MEP network affiliate, offered the company a business assessment to determine what might be done to improved profitability.

Solution:

CIRAS provided a product costing process training using a spread sheet analysis to determine gross margins, fixed costs, and bottom line results for each product. Follow-up implementation was a key element in providing assistance. The ability to determine costs and gross margins provided the information to establish more profitable pricing for products and eliminate unprofitable products from production.

Results:

* Increased sales by \$60,000.

Testimonial:

"Working with CIRAS helped us realize how important it was to have cost analysis done on our business. Learning the true cost of the products we make made it easier to focus on the aspects of our business that make us more money in the long run."

Shelly Tienfenthaler, Owner